AJPS

Open access biannual refereed journal
Volume 02 | Issue 01 | January-June 2024
ISSN: 2989-011x

Website: http://ajps.sab.ac.lk/
Email: ceajps@ssl.sab.ac.lk
Article 03

Impact of Financial Literacy on the Performance of Small and Medium-Sized Enterprises: Special Reference to Colombo District

G. G. K. Janithri, Department of Economics and Statistics, Faculty of Social Sciences and Languages, Sabaragamuwa University of Sri Lanka, janithri1998@gmail.com

U. S. Thathsarani, Department of Economics and Statistics, Faculty of Social Sciences and Languages, Sabaragamuwa University of Sri Lanka, thathsarani@ssl.sab.ac.lk

Z.Y. Medin, School of Economics, Wuhan University of Technology, zeremariam1983@gmail.com

Received: 05 March 2024 / **Revised:** 10 May 2024 / **Accepted:** 26 May 2024

Abstract

The research explores how financial literacy levels influence various indicators of firm's performance, including profitability, growth, and sustainability, within the context of SMEs. The performance of the SME will be measured as an indicator of their business performance. The study analyzed the financial literacy of SME owner-managers, specifically focusing on their financial behavior and handling, financial knowledge, financial attitudes, and financial awareness of their firms' performance. Therefore, a quantitative investigation based on "Prospect Theory" and Exchange Theory has been performed. To obtain the necessary data, a repre-sentative convenience sampling method was employed on a sample of 170 SMEs in the Colombo district. The study utilized primary data collected via a question-naire. Analysis were conducted using Structural Equation Modelling, alongside reliability and validity tests. The study showed a positive correlation between business performance and financial literacy. Independent variables like financial behavior, knowledge, attitudes, and awareness significantly *impact SME perfor-mance. Financial literacy directly affects the performance of sustainable business-es, confirming that a strong understanding of finance improves company perfor-mance. Thus, increasing financial literacy is crucial for developing successful en-trepreneurial strategies. This study also concluded that business owners and staff ought to have greater levels of education. It should be encouraged knowledge sharing among employees and the hiring of more skilled workers, according to the exchange theory's rationale. Therefore, policymakers and business owners should set up training programmes to advance financial literacy.*

Keywords: *Exchange Theory, Financial Literacy, Prospect Theory, Small and Medium Enterprises, Structural Equation Modelling*

Introduction

Small and medium-sized enterprises (SMEs) have a substantial impact on a nation's economic growth, and the literature is clear about this (Agyei and Nsiah, 2018). Despite the role that SMEs play in an economic development, studies have shown that their performance is lower in underdeveloped countries, which prevents them from fulfilling their share of the responsibility for the economy's growth (Ye and Kulathunga , 2019 and Omiunu, 2019). In general, it was found that barriers to SME performance included a lack of capital and credit facilities, a lack of skilled labour, a lack of raw materials, poor infrastructure, a lack of workforce with the necessary management skills, and restrained use of new, emerging, and constantly changing technologies (Oláh et al., 2019 and Wu and Si, 2018).

SMEs, which account for 80% of all companies in Sri Lanka, are crucial to the country's economy (CBR, 2021). These can be found in the economy's primary, secondary, and tertiary sectors and provide jobs for both skilled and unskilled employees. Enterprises that engage in the production of herbs, fruits, and vegetables, as well as manufacturers who take part in a variety of industrial operations, make up about 20% of all businesses that are defined as SMEs. SMEs make up the majority of service suppliers, because they account for about 35% of all jobs, SMEs are essential to the industry (CBR, 2021). SMEs play a critical role in promoting broad-based economic success. However, as mentioned, Sri Lanka's SMEs contribute more than 90% of its GDP (Bamunusinghe, 2022). SMEs in

Sri Lanka generate roughly 52% of the country's GDP and 5% of its exports. Sri Lanka is currently experiencing an economic crisis, which has prompted the government to intervene and initiate numerous new regulations to protect the market and the nation's diverse companies (Bamunusinghe, 2022).

Financial literacy refers to the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing (Lusardi and Mitchell, 2014). According to the Global Financial Development Report, World Bank (2019), Financial literacy seems to be the main challenge for societies in the near future; financial knowledge and skills are quite poor worldwide. Evidence shows that many individuals are not well-equipped to make sound financial decisions (Allgood et al., 2013). Sri Lanka has been experiencing lower economic progress over decades for several reasons. In 2021, the Sri Lankan economy grew by only 3.3 percent in real terms (World Bank, 2021). Aslam et al. denoted that lower financial literacy among the general public is another reason for this situation (Aslam et al., 2017). Most of the financial concepts had been designated under personal financing apply to the nation’s financial health. Though the government investment, borrowing, and taxation policies are also driven by finance fundamentals, due to a lack of financial literacy, people did not question the viability of certain economic decisions made by present and former governments (Weerakoon, 2017). Financial literacy is crucial for a business to perform better, and it would also offer an entrepreneur an advantage when making financial or investment decisions. In a fast-paced business environment, entrepreneurs face various obstacles that can be overcome by developing their financial literacy. Numerous studies above have been shown that entrepreneurs with financial literacy are more successful than those without it, but few such studies are in the Sri Lankan context. In fact, most SMEs in the informal sector are financially illiterate, have little to no primary education, and many business owners don't maintain records. To answer the study question, "How does financial literacy influence the firm performance of SMEs?” It is an interesting tadk to look into whether financial literacy impacts SMEs' performance.

This study aims to address the existing research gap by exploring the impact of financial literacy on the business performance of Small and Medium-scale Enterprises (SMEs) in the Colombo area of Sri Lanka. Specifically, the objectives are to examine the relationship between financial variables, such as financial behavior, knowledge, attitudes, and awareness skills and company performance.

Literature Review

Financial literacy makes personal finance decisions in real estate, insurance, investing, saving, tax planning, and retirement. It is also involving intimate knowledge of financial concepts like compound interest, financial planning, the mechanics of a credit card, advantageous savings methods, consumer rights, the time value of money (Chijwani, 2014). Financial behaviour could be defined as any human behaviour relevant to financial management, whereas common financial behaviours include budgeting, credit utilization, and saving (Rahman et al., 2021). According to Hidajat, personal finance is the application of the principles of finance to the monetary decisions of an individual or family unit (Hidajat, 2015). It addresses how individuals or families obtain, budget, save, and spend monetary resources over time, taking into account various financial risks and future life events. Moreover, it denotes components of personal finance might include savings accounts, credit cards and consumer loans, retirement planning, investments and insurance policies and income tax management. A firm's ability to survive depends on both its financial behaviour and the efficient use of its financial resources (Abiodun and Harry, 2016). Financial behaviour includes choices that aim to increase wealth, sales, profits, and market share. Financial behaviour such as debt management, cash flow management, and for small and medium enterprises, savings and investment methods that optimize returns all have a positive correlation with financial literacy(Grohmann et al., 2018).

H_1: financial behaviour has a significant positive impact on performances of SMEs.

In order to achieve a quality life as working adults, money management skill plays an important role because students' spending habits on campus will influence the way they manage money throughout their lives (Iqbal et al., 2014). As a result, money management is considered one of the dimensions that could affect the financial literacy level. Successfully managing money is an important learning skill for individuals as financial resources and financial conditions affect their quality of life and social relationships. Investment involves postponing consumption today in order to put savings to work and also investment can be described as the bridge between having surplus cash and reaping returns. In other words, investment has the potential to move the surplus funds of one person to another who needs or requires those funds (Tawiah, 2015). To make investment decisions, individuals require knowledge beyond fundamental financial concepts including the relationship between risk and return; and how bonds, stocks, and mutual funds work (Lusardi, 2008). Interest rates, the size of the monthly payments for installment loans, expectations regarding future income, and wealth are all the factors that affect individuals' decisions to borrow (Klapper et al., 2011).

H_2: financial handling has a significant positive impact on the performances of SMEs

A person who are conscious of their financial capabilities can take action to alter their financial outcomes by being financially aware (Pahlevi and Nashrullah, 2020). A business owner needs financial literacy as a fundamental financial concept to manage finances and make short- to long-term investment choices (Damayanti, et al., 2019). The company owner's behavior in terms of how they handle money has been influenced by their financial awareness. Understanding the financial market and how new product development could be able to satisfy the changing demands on the financial market is also helpful (Dalkilic and Kirkbesoglu, 2015). According to Taviti (2020), issues with the economy and financial markets promote the use of novel financial products. As a consequence, the effectiveness of financial awareness will be impacted by new products developed "to satisfy new needs in financial markets" (Eniola and Entebang, 2017). Since finances are central to small companies' social lives, owners are realizing how crucial it is to manage financial situations (Dalkilic and Kirkbesoglu , 2015). A small company owner's choice of which financial advisor to consult when facing financial difficulties is influenced by their financial literacy as well (Eniola and Entebang, 2017). For SME owners, having financial knowledge aids in retirement planning. According to (Esiebugie et al., 2018), educational level and business courses completed have an impact on people's awareness of financial products. The owner of a SME may make poor financial decisions that affect the expansion of their company. In this respect, financial literacy training for SME owners is an essential task for the expansion of their companies. Depending on the type of SME, a different degree of financial awareness might be required. Owners and managers must, however, comprehend fundamental financial reports and accounting principles, cash flow and profit, customized reporting to meet the unique needs of the type of SME, assistance in identifying weaknesses in key operational areas of SME, monitoring of year-over-year income and expenditure, and locating automation options to save time and money.

H_3: Awareness has a significant positive impact on performances of SMEs.

Small business managers will perform better for their businesses if they are eager to increase their bottom lines by becoming more knowledgeable about financial management. It has been suggested that having an understanding of finances is a requirement for a manager to have a sound financial attitude (Hathaway and Khatiwada, 2008). According to one theory, a manager's financial attitudes will be advanced if they have a solid understanding of these attitudes (Eniola and Entebang, 2017). According to studies, developing the proper financial mindset is in terms of, among other things, instruction, tolerance for risk, and time orientation can improve financial literacy. Abiodun and Harry (2016), noted that the business activities like being capable of obtaining various forms of finance and growing capital, to name a few, are affected by the manager of SMEs' attitude towards financial matters. Furthermore, it was asserted that successful people were financially literate, having made long-term investments and savings to guarantee their future well-being.

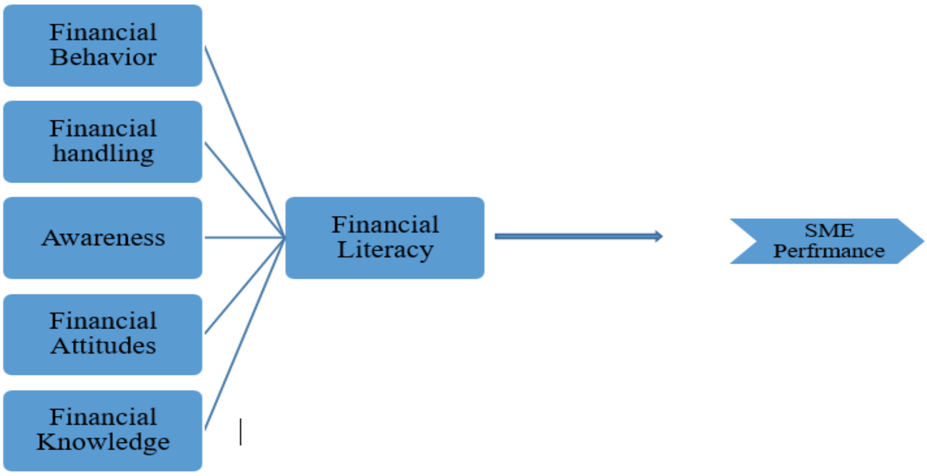
H_4: Financial attitudes have a significant positive impact on the performance of SMEs.

Financial knowledge, as described by (Huston, 2017), is the capacity to comprehend the key financial concepts and terms that an individual or organization needs for carrying out everyday activities. Potrich et al. (2016), provided a slightly different definition for financial knowledge, referring to it as a particular type of capital that a person can acquire and including the ability to handle managing expenses, incomes, and savings securely. For both individuals and businesses, having a solid understanding of finances is crucial when making financial decisions. It is generally asserted that increasing financial literacy will lead to better financial choices because it encourages more responsible financial behaviour (Ghobakhloo and Tang, 2015). A higher degree of knowledge is positively correlated with people exhibiting several financial "best practices," according to empirical research.

H_5: Financial Knowledge has a significant positive impact on the performances of SMEs.

The dependent variables and the independent variables for this research are depicted in the conceptual framework (Figure 1). The research attempted to quantify these factors about the influence of SME performance on financial literacy.The above derived five hypotheses are described in this framework.

Figure 1: Conceptual Framework



Source: Developed by the Researcher, 2023

Materials and Methods

The study attempts to investigate the financial knowledge of SME owners, which may be influenced by their financial behavior on firm's performance that emanates from individuals and aims to identify which aspects of financial literacy they consider to be of extreme significance to them in determining higher performance in making financial decisions. As a result, the population for this study consisted of all manufacturing SMEs in Colombo district. Colombo is the commercial capital and largest city of Sri Lanka, serving as the country's economic hub. It hosts a significant concentration of businesses, including a large number of SMEs. This makes it an ideal location to study business dynamics and financial practices due to its vibrant economic activity. Data was collected in a single period rather than multiple periods. A size of 170 SMEs were selected using a size determination formula with a convenient sampling method. Convenience sampling had been chosen due to the lack of a comprehensive sampling frame for SMEs in the

Colombo district. Given the operational inconsistencies and low survival rates of these firms, compiling an exhaustive list was not feasible.

A semi-structured questionnaire is covering six areas, respondent personal information, financial behavior, financial handling, financial attitude, financial understanding and financial performance, is created in order to gather data. The key variables in this study were been measured using a structured questionnaire designed specifically for this purpose. Each variable was assessed using a series of items on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

This approach had been chosen to capture the perceptions and attitudes of respondents in a quantifiable manner. The Structural Equation Model is used to achieve the research objectives. Confirmatory factor analysis (CFA) was used to examine the construct reliability of the measurement models for each variable. Before performing CFA, it is critical to conduct an exploratory factor analysis (EFA). To confirm EFA, the Kaiser-Meyer-Olkin (KMO) value, Bartlett's Test of Sphericity for sample adequacy, and factor loadings for internal consistency were calculated. The integrity of fit of the measurement model had been assessed using Chi-square/df3, GFI > 0.9, AGFI > 0.9, CFI > 0.9, and RMSEA 0.08 values (Hair et al., 2010). When the overall statistical method is accepted (Chi-square/df 3, fit indices >0.9, and RMSEA 0.08), all factor loadings were greater than 0.5, and discriminant validity is met, the structural model is developed, and goodness-of-fit had been assessed. The SMARTPLS Software, SEM was then used to test and validate hypotheses.

Sample distribution is presented in the Appendix 1 table. The percentage of participants by gender is shown in the Appendix 1 table, with female participants making up 47.10% (80) and 52.90% (90). Further analysis reveals that the age range between 39 and 46 accounts for 23.50% of all SMEs, followed by that of 18 to 25 years old (21.8%), 25 to 32 years old (20%), 32 to 39 years old (19.40%), and more than 46 years old (15.30%). The educational qualification of the participant with a bachelor's degree has the highest percentage of 70.60 (120), followed by secondary scholars with a percentage of 20 (34), and the participant with primary school and other completed education has the lowest percentage. The master's degree normally has a 5.30 (9) %. Small business owners account for 52.9% of SMEs, followed by medium-sized business owners with 47.10% of

SMEs (90). The majority of SMEs are sole proprietorships, accounting for 34.10 percent of all SMEs, partnerships accounting for 33.50 percent of all SMEs, private limited companies accounting for 21.20 percent of all SMEs, and cooperative societies accounting for 11.20 percent of all SMEs. Out of all the other areas, Colombo has the highest percentage of SMEs (22.40%; 38), while Maharagama and other areas have the second-highest percentage (17.1%; 29). Nugegoda and Piliyandala, with a percentage of 14.7% each, are the localities with the lowest (25). The SMEs started their businesses at varying years. The chart shows that the SMEs' average age of operation ranged from 0 to 5 years for the most recent, 20% (34) for 5 to 10 years, 10.6% for 15 to 20 years, 10% (17) for 10 to 15 years, and 2.40% for enterprises established more than 20 years ago. Most SMEs distribute their operations among 0 to 10 branches, where the biggest percentage is 91.80 %(156), while others distribute their operations among 10 to 20 branches, where the percentage is 7.60 %(13), and more than 20 branches only take up 0.06 %(1). The majority of SMEs started their businesses with private capital, accounting for 40 %(68) of all startups, followed by retained profits (22.9%), money from friends and family (21.7%), bank loans (14.1%), and other sources 1.2%(2). According to the table, 61.20 percent (104) of respondents have fewer than 20 employees, 18,8% (32) have between 20 and 40, 8.2% (14) have between 40 and 60, 5.9% (10) have between 80 and 100, and 2.9% (5) have between 60 and 80 in their firm. 2.4 %(4) of the workforce in companies with more over 100 employees is the lowest. According to the table, the majority of respondents 54.7% (93) of the forms are owners, followed by 22.9% (39) of managers, 12.4% (21), chief accountants, 8.8% (15), finance managers, and 1.2% (2) of respondents who don't have any positions at all. Finally, the table shows that the majority of respondents do not have a bookkeeping system, with a percentage of 75.3(128), while 24.7%(42) do, and that the majority of respondents have business outstanding loans, with a percentage of 65.9%(112), while 34.1%(58) do not, and that the majority of respondents still need more funding for their firms, with a percentage of 99.4(169), while only one respondent does not need more funding for his or her business.

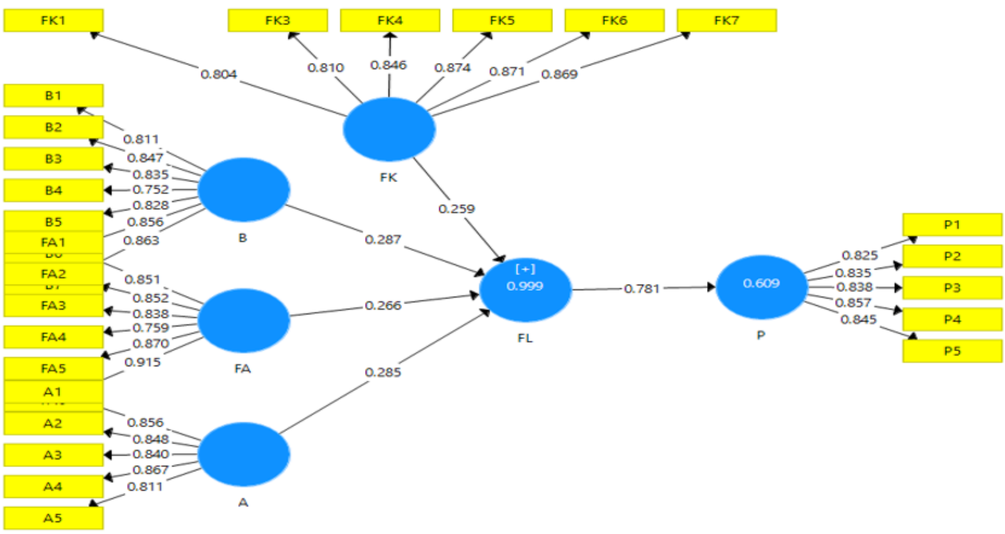
Results and Discussion

Based on specified goals, this section presents and interprets the data that was acquired. The results were then considered to be seen if they agreed or disagreed with the literature that had been analyzed. There is no multicollinearity issue between the indicators if the VIF values of all the indicators are less than 5.0. One-dimensionality Measurement items' is been accounted for through factor loading. For an established item, the factor loading value should be 0.7 or higher than it. If items' factor loadings are low, they must be eliminated one at a time from the measurement model. Due to low factor loadings, one item (from the FK (2)) was removed from the current analysis.

The measurement model had been tested utilizing construct reliability, convergent validity, and discriminant validity, according to Hair et al. (2010). The construct reliability of the model was measured using composite reliability and Cronbach alpha. The composite reliability of measurement model's ranged from 0.923 to 0.951, while the construct's factor loading value ranged from 0.752 to 0.934 (above the threshold level (>0.5). The measurement model is fit and trustworthy for additional testing (Hair et al., 2010). Fornell and Larcker (1981) used the average variance extracted (AVE) to assess the convergent validity of each component. The AVE values of all constructs exceeded the threshold value of >0.5.

All of the remaining item loading is above the suggested value, as shown in Figure 2.

Figure 2: Structural Model



Source: Sample Survey, 2023

Note: A= Financial Awareness, B= Financial Behavior, FA=Financial Attitudes, FK=Financial Knowledge, FL=Financial Literacy, P =Performances

Hypothesis Testing and Testing Association

Following the direct relationship, it shows the evaluation of structural path for the evaluation of path coefficients (relationships among study constructs) and their statistical significance (Table 1). H1 and H2 assess if financial conduct and management have a significant and positive impact on the performance of SMEs. Financial conduct and handling have a significant and beneficial impact on the performance of SMEs (β=0.223, t = 16.962, p = 0.001). As a result, H1 and H2 were been supported. H3 assesses if Financial Awareness has a significant and positive impact on the performance of SMEs. Financial Awareness has a significant and beneficial impact on the performance of SMEs, according to the findings (β=0.224, t = 13.399, p = 0.001). As a result, H3 had been approved.H4 assesses if Financial Attitudes have a significant and positive impact on the performance of SMEs. Financial Attitudes had a significant and beneficial impact on the performance of SMEs (β=0.208, t = 12.296, p = 0.001). As a result, H4 had been approved.

Table 1: Direct Relationships

Relationship		β	SD	t Statistics	P Values	Result
H1	B -> P	0.223	0.013	16.962	0.000	Supported
H2	B -> P	0.223	0.013	16.962	0.000	Supported
H3	A -> P	0.224	0.017	13.399	0.000	Supported
H4	FA ->P	0.208	0.017	12.296	0.000	Supported
H5	FK -> P	0.202	0.013	15.603	0.000	Supported
H6	FL -> P	0.781	0.058	13.458	0.000	Supported

Source: Sample Survey, 2023

H5 assesses if Financial Knowledge has a significant and positive impact on the performance of SMEs.Financial Knowledge has a significant and beneficial impact on the performance of SMEs, according to the findings (β=0.202, t = 15.603, p = 0.001). As a result, H5 also had been approved. H6 assesses if Financial Literacy has a significant and positive impact on the performance of SMEs. Financial Literacy has a significant and favorable impact on the performance of SMEs, according to the findings (β=0.781, t = 13.458, p = 0.001). As a result, H6 had been approved.

Table 2: Specific Indirect Relationship

Relationship	β	Standard Deviation	t Statistics	P Values
A -> FL -> P	0.223	0.013	16.962	0.000
B -> FL -> P	0.224	0.017	13.399	0.000
FA -> FL -> P	0.208	0.017	12.296	0.000
FK -> FL -> P	0.202	0.013	15.603	0.000

Source: Sample Survey, 2023

According to the specific indirect relationship (Table 2) , there are significant relationship between financial awareness, financial behavior, and handling, financial attitudes, and financial knowledge with financial literacy and firm performances. Hence all the p values are less than 0.001

The conclusion that financial literacy has a strong favorable impact on business performance is supported by other studies as well (Purnomo, 2019). This study also supports the findings of Memon et al. (2019), who found that managers with financial literacy are better able to spot possibilities and innovative solutions that may enhance performance. Thus, this study's findings that financial knowledge, awareness, behavior, and attitudes are related to firm performance have led to the conclusion that improving financial literacy is essential to creating a successful strategy for boosting entrepreneurial performance (Adomako et al., 2014), (Oseifuah, 2010), (Glaser and Walther, 2013). The results, therefore, differ from those of (Potrich et al., 2016), who came to the view that the financial behavior of SMEs has a significant impact on the performance of the organization. Despite the fact that the majority of owner-manager respondents indicated a high correlation between financial knowledge, awareness, and attitudes and business success, financial awareness (skill) also appears to be associated with firm performance. According to Sucuahi (2013), financial awareness (SKIL) may benefit a company's future. This conclusion is consistent. Contrary to what had been discovered here, (Chatterjee and Das, 2016) study concluded that microbusinesses had a detrimental impact on the economy. The future of the company could be benefited from financial awareness (Sucuahi, 2013). Additionally, numerous studies had been demonstrated that human capital and financial literacy (SKIL) are unquestionably the main forces behind SME growth (Parisa et al., 2018), (Perks, 2010). In several studies, it has been demonstrated that business performance improves economic, environmental, and social results (Eltayeb et al., 2011).This study discovered a strong link between financial literacy and firm performance, which is consistent with their findings. This result is consistent with a previous study's explanation of a connection between financial literacy and firm performance. According to certain studies, there is a causal link between literacy and firm performance that extends both in the negative (from firm performance to literacy) and the positive (from Literacy to firm performance) directions. Additionally, a company's engagement in sustainability initiatives will change depending on how well it performs financially in one era. Strong financial performance in the past increases the likelihood that a business will use the extra funds to give sustainability projects top priority. Sustainability activities are less likely to be prioritized by a company with a poor financial history. According to certain studies, a business will fare well in terms of sustainability if it is doing well financially.

A study by Chang and Kuo (2008), found a correlation between the two ideas; stronger financial performance tends to be associated with sustainable policies, and vice versa. This study found that owner-managers are helpful in selecting a financing choice, budgeting, estimating costs, and deciding on output.

Conclusion

The primary objective of this study was to investigate the impact of financial literacy on the operational efficacy of small and medium-sized enterprises within the Colombo region. Owner-managers of SMEs are the essential decision-makers who steer the company in the right direction. One of the key ideas to be considered while assessing business performance is financial literacy. The findings of the study indicate that the four aspects of financial literacy knowledge, awareness, behavior and handling, and attitudes have a significant impact on SMEs' success. Additionally, this study shows a substantial correlation between financial awareness, financial knowledge, financial attitudes, financial conduct, and financial handling and firm performance. Taking into account the aforementioned findings, the researcher suggested that efforts be made by banks, microfinance institutions, as well as government agencies in an effort to improve the literacy levels of business owners. The researcher also had been suggested that financial education programmes to be organized in order to increase the awareness of SME managers on various financial matters, including but not limited to demonstrating knowledge about all kinds of finance for businesses in their infancy. Such measures would result in the growth and expansion of SMEs, particularly in areas where they had previously failed.

ISSN 2989-011x

References

Abiodun, E. A., & Harry, E. (2016). Harry Financial Literacy and SME firm performance. *Journal of Small Business Management*, 54(3), 123-135.

Adomako, S., & Danso, A. (2014). Financial literacy and firm performance: A literature review. *Journal of Economics and Business*, 21(3), 45-58

Agyei, S. K., & Nsiah, C. (2018). Culture, financial literacy, and SME performance in Ghana. *Cogent Economics & Finance*, *6*(1). https://doi.org/10.1080/23322039.2018.1463813

Allgood, S., & Walstad, W. (2013). Financial Literacy and Credit Card Behaviors: A Cross-Sectional Analysis by Age. *Numeracy*, *6*. https://doi.org/10.5038/1936-4660.6.2.3

Aslam, F., & Kulasena, H. (2017). To Identify and Examine the Different Causes of Liver Disease in Sri Lanka. *Indian Journal of Scientific Research*, *6*. https://doi.org/10.21275/ART20178732

Bamunisinghe, R. (2022, January 30). New initiative to help Sri Lankan SMEs grow. *Business Times*, 1. https://www.sundaytimes.lk/220130/business-times/new-initiative-to-help-sri-lankan-smes-grow-470589.html

Central Bank of Sri Lanka. (2021). *Annual Report 2021*. Central Bank of Sri Lanka. https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2021/en/13_Box_04.pdf

Chang, D., & Kuo, L. R. (2008). The effects of sustainable development on firms' financial performance – an empirical approach. *Sustainable Development*, *16*(6), 365–380. https://doi.org/https://doi.org/10.1002/sd.351

Chatterjee, N., & Das, N. (2016). A Study on the Impact of Key Entrepreneurial Skills on Business Success of Indian Micro-entrepreneurs: A Case of Jharkhand Region. *Global Business Review*, *17*, 226–237. https://doi.org/10.1177/0972150915610729

Chijwani, M. (2014). A Study of Financial Literacy among Working Women in Pune. *IJSRD - International Journal for Scientific Research & Development*, *1*(11), 2–18. https://doi.org/ISSN (online): 2321-0613, 2456-2458

Dalkilic, N., & Kırkbeşoğlu, E. (2015). The Role of Financial Literacy on the Development of Insurance Awareness. *International Journal of Economics and Finance*, *7*. https://doi.org/10.5539/ijef.v7n8p272

Damayanti, Samer, S., Al-shami, S., Rahim, B., Rahim, A., Marwati, F., & Setya. (2019). Factors that influence financial literacy on small medium enterprises: A literature review. *Opcion*, *34*, 1540–1557.

Eltayeb, T., Zailani, S., & Ramayah, T. (2011). Green Supply Chain Initiatives Among Certified Companies in Malaysia and Environmental Sustainability: Investigating the Outcomes. *Resources Conservation and Recycling*, *55*, 495–506. https://doi.org/10.1016/j.resconrec.2010.09.003

Eniola, A., & Entebang, H. (2017). SME Managers and Financial Literacy. *Global Business Review*, *18*, 1–18. https://doi.org/10.1177/0972150917692063

Esiebugie, U. M., Richard, A. T., & Emmanuel, A. L. (2018). *Financial literacy and performance of small and medium scale enterprises in benue state, NIGERIA*. https://api.semanticscholar.org/CorpusID:232166134

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50

Ghobakhloo, M., & Tang, S. H. (2015). Information system success among manufacturing SMEs: case of developing countries. *Information Technology for Development*, *21*, 1–28. https://doi.org/10.1080/02681102.2014.996201

Glaser, M. and Walther, T. (2013). Run, Walk, or Buy? Financial Literacy, Dual-Process Theory, and Investment Behavior. *SSRN Electronic Journal*, *1*(1), 2–15. https://doi.org/https://doi.org/10.2139/ssrn.2336109

Grohmann, A. (2018). Financial literacy and financial behavior: Evidence from the emerging Asian middle class. *Pacific-Basin Finance Journal*, *48*(C), 129–143. https://doi.org/10.1016/j.pacfin.2018.01.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate Data Analysis* (7th ed.)

Hathaway, I., & Khatiwada, S. (2008). Do Financial Education Programs Work? *Federal Reserve Bank of Cleveland, Working Paper*. https://doi.org/10.2139/ssrn.1118485

Hidajat, T. (2015). An Analysis of Financial Literacy and Household Saving among Fishermen in Indonesia. *Mediterranean Journal of Social Sciences*, *6*. https://doi.org/10.5901/mjss.2015.v6n5s5p216

Huston, S. (2017). Measuring Financial Literacy. *Journal of Consumer Affairs*, *44*. https://doi.org/10.2139/ssrn.1945216

Iqbal, N., Ahmad, N., & Riaz, Z. (2014). The Relationship between Working Capital Management and Profitability: Evidence from Pakistan. *International Letters of Social and Humanistic Sciences*, *20*, 14–25. https://doi.org/10.18052/www.scipress.com/ILSHS.20.14

Klapper, L., Lusardi, A., & Panos, G. (2011). Financial Literacy and the Financial Crisis: Evidence from Russia. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.1786826

Lusardi, A. (2008). Financial Literacy: An Essential Tool for Informed Consumer Choice? *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.1336389

Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature*, 52(1), 5-44. https://doi.org/10.1257/jel.52.1.5

Lusardi, A., & Mitchell, O. (2014). *Financial literacy and retirement preparedness: Evidence and implications for financial education programs* (Issue 2007/15). https://econpapers.repec.org/RePEc:zbw:cfswop:200715

Memon, A., An, Z., & Memon, M. Q. (2019). Does financial availability sustain financial, innovative, and environmental performance? Relation via opportunity recognition. *Corporate Social Responsibility and Environmental Management*, *27*. https://doi.org/10.1002/csr.1820

Oláh, J., Kovács, S., Virglerova, Z., Lakner, Z., Kovacova, M., & Popp, J. (2019). Analysis and Comparison of Economic and Financial Risk Sources in SMEs of the Visegrad Group and Serbia. *Sustainability*, *11*(7). https://doi.org/10.3390/su11071853

Omiunu, O. (2019)., *E-literacy-adoption model and performance of women-owned SMEs in Southwestern Nigeria, Journal of Global Entrepreneurship Research 9:26, 19p, https://doi.org/10.1186/s40497-019-0149-3*. *9*, 19. https://doi.org/10.1186/s40497-019-0149-3

Oseifuah, E. (2010). Financial literacy and youth entrepreurship in South Africa. *African Journal of Economic and Management Studies*, *1*, 164–182. https://doi.org/10.1108/20400701011073473

Parisa, M., Mohammad, I., & Morteza, G. (2018). Determinants of big data analytics adoption in small and medium-sized enterprises (SMEs). *Journal of Small Business Management*, 56(3), 387-402

Pahlevi, S. A., & Nashrullah, M. (2020). A person who are conscious of their financial capabilities can take action to alter their financial outcomes by being financially aware. *Journal of Financial Awareness*, 17(2), 45-58

Perks, S. (2010). Problem-solving techniques of growing very small businesses. *Journal of Enterprising Communities: People and Places in the Global Economy*, *4*, 220–233. https://doi.org/10.1108/17506201011068228

Potrich, A., Vieira, K., & Mendes-Da-Silva, W. (2016). Development of a financial literacy model for university students. *Management Research Review*, *39*, 356–376. https://doi.org/10.1108/MMR-06-2014-0143

Purnomo, B. (2019). Artistic orientation, financial literacy and entrepreneurial performance. *Journal of Enterprising Communities: People and Places in the Global Economy*, *13*. https://doi.org/10.1108/JEC-09-2018-0065

Rahman, M., Isa, C. R., & Masud, M. M. (2021). The role of financial behaviour, financial literacy, and financial stress in explaining the financial well-being of B40 group in Malaysia. *Future Business Journal*, *7*(1), 1-18. https://doi.org/10.1186/s43093-021-00099-0

Sucuahi, W. (2013). Determinants of Financial Literacy of Micro Entrepreneurs in Davao City. *International Journal of Accounting Research*, *1*, 44–51. https://doi.org/10.12816/0001127

Taviti N, S. (2020). Effect of Cash Management Practices on Financial Performance of Small and Medium Enterprises in Visakhapatnam and Vizianagaram Districts of Andhra Pradesh, India. *European Journal of Social Sciences StudiesI*, *5*(6), 142–151. https://doi.org/http://dx.doi.org/10.46827/ejsss.v5i6.951

Tawiah, B. W. (2015). *Impact of financial literacy on savings and investment* (Master's thesis). University Name, Location.

Weerakoon, K. (2017). Analysis of Spatio-temporal Urban Growth using GIS Integrated Urban Gradient Analysis; Colombo District, Sri Lanka. *American Journal of Geographic Information System 2017, 6(3): 83-89*, *6*, 83–89. https://doi.org/10.5923/j.ajgis.20170603.01

World Bank. (2019). *Global Financial Development Report. Washington, DC: World Bank.*

World Bank. (2021). *World Development Report 2021: Data for Better Lives.* Washington, DC: World Bank.

Wu, J., & Si, S. (2018). Poverty reduction through entrepreneurship: incentives, social networks, and sustainability. *Asian Business & Management*, *17*. https://doi.org/10.1057/s41291-018-0039-5

Ye, J., & Kulathunga, K. (2019). How Does Financial Literacy Promote Sustainability in SMEs? A Developing Country Perspective. *Sustainability*, *11*(10). https://doi.org/10.3390/su11102990